

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6222

BILL NUMBER: SB 9

DATE PREPARED: Mar 1, 2001

BILL AMENDED: Mar 1, 2001

SUBJECT: Fire Protection Territory

FISCAL ANALYST: Bob Sigalow, Chuck Mayfield

PHONE NUMBER: 232-9859, 232-4825

FUNDS AFFECTED: **GENERAL
DEDICATED
FEDERAL**

IMPACT: Local

Summary of Legislation: This bill requires the legislative body of each unit creating a fire protection territory to give notice of and hold a public hearing before adopting an ordinance to create the territory. It provides that different property tax rates may apply in the units that make up the territory, so long as a rate applies uniformly to all of a unit's taxable property within the territory.

Effective Date: July 1, 2001.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: A local unit may have increased administrative costs associated with the holding of a public hearing to discuss the proposed ordinance.

Explanation of Local Revenues: Currently, units participating in a fire protection territory have a uniform rate for all units. The bill would allow participating units to have different tax rates. The bill could allow a shift of the responsibility of funding fire protection from one local unit to another unit if the units agree to different rates. As an example, one unit could have a \$0.25 tax rate while another, if both units agreed, could have a tax rate of \$0.50. There are currently three fire protection territories in the state. This bill would apply only to prospective territories.

The actual fiscal impact of this bill depends on local action.

State Agencies Affected: State Board of Tax Commissioners.

Local Agencies Affected: Local units.

Information Sources: Local Government Database.